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16
17 **UNITED STATES DISTRICT COURT**
18 **NORTHERN DISTRICT OF CALIFORNIA**
19 **OAKLAND DIVISION**

20 MEDIATEK INC.,
21
22 Plaintiff,
23
24 v.
25 FREESCALE SEMICONDUCTOR, INC.,
26
27 Defendant.
28

Case No. 4:11-cv-05341 YGR (JSC)

**JOINT CASE MANAGEMENT
STATEMENT**

Date: October 21, 2013

Time: 3:00 p.m.

Courtroom: 5

Hon. Yvonne Gonzalez Rogers

Pursuant to the Court's Standing Order for Patent Cases, its Claim Construction Order dated July 16, 2011, and its Minute Order following an August 19, 2013 Case Management Conference (*see* Dkt. No. 175), as subsequently modified (*see* Dkt. No. 262), Plaintiff MediaTek Inc. ("MediaTek") and Defendant Freescale Semiconductor, Inc. ("Freescale") respectfully submit the following Joint Case Management Statement in advance of the conference scheduled for October 21, 2013.

I. CERTIFICATION OF CLAIM CONSTRUCTION ORDER FOR IMMEDIATE APPEAL TO THE FEDERAL CIRCUIT

Neither MediaTek nor Freescale wishes to seek to certify the Court's claim construction ruling for immediate appeal to the Federal Circuit.

II. DISPOSITIVE MOTIONS

A. MediaTek's Position

Pursuant to the Court's Civil Standing Order and the Court's instructions during the August 19, 2013, case management conference, MediaTek is concurrently submitting a letter brief seeking leave to move for summary judgment, and setting forth the grounds for MediaTek's summary judgment positions. Specifically, MediaTek would like to move for summary judgment that the asserted claims of the '845 patent are valid because Freescale has failed to disclose prior art that, alone or in combination, teaches each and every limitation of the claims. If the Court grants leave, MediaTek will move for appropriate relief with respect to this motion by the deadlines set by the Court. *See* Dkt. No. 131.

MediaTek opposes Freescale's request to expand the page limits for summary judgment briefing. Twenty-five pages is more than adequate for each of the parties to present their respective motions, particularly where these motions are required to be based upon undisputed facts.

B. Freescale's Position

Pursuant to the Court's Civil Standing Order and the Court's instructions during the August 19, 2013, case management conference, Freescale is concurrently submitting a letter

1 seeking leave to move for summary judgment, requesting a pre-filing conference, and setting
 2 forth the grounds for Freescale's summary judgment positions. Freescale would like to move for
 3 summary judgment on the following grounds:

4
 5 1. The '331 Patent

6 The asserted claims of the '331 patent are not infringed by the i.MX31, i.MX35,
 7 and i.MX50 accused products.

8 2. The '845 Patent

9 The asserted claims of the '845 patent are not infringed by the accused products.

10 3. Kindle e-Reader Product Accusations

11 The accused Freescale products incorporated in Kindle e-Readers do not infringe
 12 the asserted patents because they were not sold in the United States.

13 4. Scope of Relief

14 MediaTek is not entitled to an injunction.

15 The currently-set deadline for dispositive motions set by the Court is October 29, 2013.
 16 (See Dkt. No. 131 at 2.) The parties have agreed to move jointly for an order: (i) extending from
 17 October 18 to October 23, 2013, the deadline to complete the deposition of MediaTek's expert
 18 Mr. Charles Narad and (ii) extending from October 29 to November 5, 2013, the deadline for
 19 dispositive and Daubert motions.

20 Freescale feels that this case can be significantly streamlined through summary judgment
 21 directed to the technical, extraterritoriality, and injunction issues identified above. In order to
 22 brief summary judgment, and as explained in its letter seeking leave to move for summary
 23 judgment, Freescale seeks leave to expand the 25-page limit to a 50-page limit.

24 **III. ADVICE OF COUNSEL DEFENSE; BIFURCATION OF TRIAL**

25 **A. MediaTek's Position**

26 MediaTek opposes bifurcation of the trial into liability and damages proceedings. The
 27 trial of this case will be no more complex than any other patent case, and indeed far less complex
 28 than many, and does not warrant bifurcation.

MediaTek has only asserted three patents in this case, and the technologies claimed by the patents-in-suit are all closely related, dealing with semiconductor hardware and software design. Two of the asserted patents, and seven of the nine asserted claims, concern the operation of busses in a semiconductor framework. The third patent, with its two asserted claims, concerns power consumption. The damages issues in this case, which concern Freescale's sales of products practicing the patents-in-suit over the past two years, are less complicated than other patent infringement case with longer damages periods. For example, WilmerHale (MediaTek's counsel) and Morrison Foerster (Freescale's counsel) recently tried *Apple v. Samsung* together before the Hon. Lucy Koh. *See* Civil Action No. 11-cv-01846-LHK. That case was far more complex, involving a damages claim by Apple for more than \$2.5 billion on infringement of both utility patents and design patents (each of which require a different type of damages analysis), as well as affirmative counterclaims by Samsung seeking damages for alleged infringement of its own patents. Yet the same law firms representing the parties in this case were more than capable of efficiently trying all issues raised in *Apple v. Samsung* together to a single jury.

Contrary to Freescale's argument, this case involves none of the complexity of the *Yamaha Hatsudoki Kabushiki Kaisha v. Bombardier Inc.* case that Freescale cites below. *Yamaha* involved **thirty** asserted patents, with multiple counterclaims, including both antitrust claims and claims for estoppel. *Yamaha Hatsudoki Kabushiki Kaisha v. Bombardier Inc.*, SA CV 00-549-DOCEEX, 2001 WL 501354, at *1 (C.D. Cal. May 4, 2001). By contrast, this case concerns only three patents with straight forward evidence demonstrating both infringement and damages. And Freescale asserts only the standard declaratory judgment counterclaims.

Under these circumstances, courts in this district have repeatedly held that bifurcation is simply not warranted. *See, e.g., Spectra-Physics Lasers, Inc. v. Uniphase Corp.*, 144 F.R.D. 99, 101 (N.D. Cal. 1992) (denying motion to bifurcate liability and damages phases of patent trial). *See also Mformation Techs., Inc. v. Research in Motion Ltd.*, C 08-04990 JW, 2012 WL 1142537, at *1 (N.D. Cal. Mar. 29, 2012) (denying motion to bifurcate indirect infringement, damages, and willfulness claims from direct infringement, invalidity claims); *Onyx Pharm., Inc. v. Bayer Corp.*,

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2 C-09-2145 EMC, 2011 WL 4527402, at *2 (N.D. Cal. Sept. 21, 2011) (denying motion to
3 bifurcate equitable claims from damages claims); *Fresenius Med. Care Holdings, Inc. v. Baxter*
4 *Int'l Inc.*, C 03-1431 SBA, 2006 WL 1646108, at *3 (N.D. Cal. June 12, 2006) (denying motion
5 to bifurcate equitable claims); *Quantum Corp. v. Tandon Corp.*, C-89-1812 WHO, 1991 WL
6 213819, at *1 (N.D. Cal. Apr. 19, 1991) (denying motion to bifurcate infringement phase from
7 willfulness phase). Accordingly, this case should be tried once to a single jury.

8 **B. Freescale's Position**

9 Freescale does not intend to rely on the advice of counsel defense to MediaTek's claims of
10 willful infringement.

11 Freescale believes that bifurcating the trial into liability and damages phases would be
12 beneficial due to the number and complexity of issues in both phases and the lack of overlapping
13 issues between phases. Bifurcation will simplify the issues for the Court and, depending on the
14 outcome of the liability phase, may save resources and time in the damages phase. Indeed, if
15 Freescale is successful on liability, damages will not need to be tried and decided.

16 MediaTek has alleged infringement of three patents and has asserted nine claims.
17 Although the three patents in suit all relate to integrated circuits, the asserted claims relate to
18 different aspects of integrated circuits technology. Four asserted claims relate to bus architecture
19 (claims 1, 2, and 5 of the '845 patent; claim 2 of the '753 patent), three asserted claims relate to
20 bus arbitration (claims 21, 22, and 25 of the '845 patent), and two asserted claims relate to power
21 management technology (claims 11 and 35 of the '331 patent). MediaTek has accused eleven
22 different Freescale product families — taken from three different categories (Freescale's i.MX
23 processors, MXC processors, and PowerQUICC processors) — of infringing some combination
24 of the asserted claims, such that there is little overlap in the claims asserted against these eight
25 product families.

26 As laid out in Ms. Lawton's expert report, MediaTek will present a complex damages case
27 involving analyses of licenses and testimony provided by Freescale, allegations of competition
28 between MediaTek and Freescale, the location of certain transactions related to Freescale accused

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2 products, and the details of shipments related to Ford vehicle model years. The complexity of the
3 damages case will include detailed accounting, commercial terms, and geographical activity
4 analyses associated with thousands and thousands of transactions.

5 In particular, MediaTek has accused eleven product families, comprising more than four
6 hundred separate Freescale products, sold from different Freescale entities, located in many
7 different countries outside of the United States, to hundreds of different customers scattered
8 around the world. Complex extraterritoriality issues will need to be resolved to determine
9 whether Freescale has committed acts that can constitute allegedly infringing acts within the
10 United States for which MediaTek may recover damages. If so, it will then need to be determined
11 which of the myriad transactions include acts that constitute infringement and to what extent they
12 constitute infringement.

13 MediaTek has also alleged contributory infringement and active inducement against
14 Freescale for each of the patents, and has pursued extensive financial discovery from Freescale
15 and from third-parties to support such allegations. See, e.g., Dkt. Nos. 139-3 at 1, 139-5 at 9
16 (seeking extension of fact discovery to obtain financial documents from Motorola Mobility LLC);
17 Dkt. Nos. 85 at 1, 85-1, passim (noticing subpoenas served on fifteen third-parties seeking
18 financial information and documents). Like MediaTek's allegations of direct infringement, these
19 claims also attach to Freescale's activities outside of the United States. Thus, the indirect
20 infringement claims will also require complex geographical assessments and accountings.

21 Moreover, like its willfulness contentions, MediaTek's contributory and induced
22 infringement allegations will require MediaTek to prove that Freescale had notice of the patents
23 in suit and that Freescale had the specific intent to contribute to or actively induce infringement.

24 Finally, the witnesses and the evidence presented in connection with the damages case
25 will be different than what is presented in the liability phase of the case. The parties will use
26 damages experts for the damages phase of the trial that will not need to testify on liability. The
27 financial evidence necessary for the damages determination, such as the volumes of sales,
28 transaction details, revenue, cost, and margin, will also not need to be presented during the

1 liability case.

2 Accordingly, given the separateness of the damages and liability proofs and the number
3 and complexity of the liability and damages issues, bifurcation of trial of liability from damages
4 is warranted. See Yamaha Hatsudoki Kabushiki Kaisha v. Bombardier, No. SA CV 00-549 DOC
5 (EEx), 2001 U.S. Dist. LEXIS 10738, at *9, *10-11 (C.D. Cal. May 4, 2001) (granting motion to
6 bifurcate trial of liability from damages and stating, “Bifurcation, while perhaps not routine, is
7 nonetheless common in patent litigation.”); Amylin Pharms. V. Univ. of Minn., No. 96cv2061 JM
8 (POR), 1998 U.S. Dist. LEXIS 5651, at *5 (S.D. Cal. Jan. 13, 1998) (granting motion to bifurcate
9 liability from damages, in part, due to complexity of damages issues).

10
11 Freescale does not believe that any basis exists for bifurcating discovery of liability and
12 damages issues. Fact discovery has closed, expert discovery is closing, and MediaTek has
13 already taken ample discovery related to both liability and damages issues.

14 **IV. POST-CLAIM CONSTRUCTION DISCOVERY**

15 **A. MediaTek’s Position**

16 Barring unforeseen events and excluding customary supplementation, fact discovery is
17 substantially complete. The only remaining fact discovery issue is the small production of four
18 documents that the Court directed MediaTek to complete by October 17, 2013. *See* Dkt. No. 280.
19 MediaTek expects that expert discovery will close on the deadline set forth in the parties’ Joint
20 Motion to Extend the Deadline for Expert Discovery and Dispositive and *Daubert* Motions. Dkt.
21 No. 281.

22 **B. Freescale’s Position**

23 On October 10, 2013, the Court granted Freescale’s motion to compel the production of
24 documents relating to MediaTek’s acquisition of the ’753 patent. (See Dkt. No. 280 at 10.)
25 MediaTek withheld these documents, along with associated testimony from its witnesses about
26 the patent acquisition process, as privileged. Accordingly, upon production of these documents
27 Freescale may seek further discovery related to the content of these non-privileged documents
28 and the patent acquisition process itself.

1
2 **V. OTHER PRETRIAL MATTERS**

3 **A. MediaTek's Position**

4 MediaTek is not aware of any other pretrial matters at this time. Other than the deadline
5 for Dispositive and *Daubert* motions addressed Dkt No. 281, MediaTek opposes Freescale's
6 proposal to rewrite the pretrial schedule below. Freescale has identified no legitimate reason to
7 deviate from the scheduled February 10, 2014 trial date that the parties have been diligently
8 working towards.

9 As an initial matter, and despite the Court's direction at the August 19, 2013 hearing that
10 the parties were to consult one another on pre-trial matters, Freescale failed to meet-and-confer
11 with MediaTek in advance of proposing the extended schedule it requests below. As a result,
12 Freescale's request to extend the trial schedule in this case came as a complete surprise to
13 MediaTek when Freescale submitted its half of this joint statement.

14 Substantively, Freescale's request has no merit. Freescale's four bullet points all relate to
15 events that have occurred in the past, have now been successfully completed, and have no going-
16 forward implications for the remaining deadlines in this case. Freescale's final argument, relating
17 to Dkt. No. 281, reflects **Freescale's** inability to complete depositions by the existing deadline.
18 Specifically, MediaTek will have completed its depositions of all of Freescale's experts by the
19 current October 18 deadline. Moreover, MediaTek offered dates for all of its own experts within
20 that current deadline. Freescale, however, refused to take the deposition of MediaTek's expert,
21 Charles Narad, on the initially offered dates of October 17 and 18 because its counsel claimed it
22 was unable to conduct depositions in parallel. Freescale should not be permitted to change the
23 trial schedule in this case – which MediaTek, its counsel, and this Court have had set on their
24 calendars for more than a year – merely because MediaTek accommodated that request as a
25 matter of professional courtesy. Altering the expert schedule by three business days for one
26 deposition, and accommodating Freescale's demand to similarly extend dispositive and *Daubert*
27 motions as a result, would have no affect at all on the remaining case deadlines and is no basis to
28 change the trial date for this case.

B. Freescale's Position

In response to the Court's request, Freescale proposes the schedule set forth below for the deadlines leading up to trial. Freescale circulated its proposal to MediaTek at the initial exchange on October 14, 2013.

Previous modifications to the schedule have shifted certain events three weeks forward or more:

- The fact discovery deadline for Freescale to take the depositions of certain MediaTek witness was extended from July 19, 2013, to August 16, 2013;
- The deadline for initial expert disclosures and reports was extended from August 2, 2013, to August 23, 2013;
- The deadline for the rebuttal expert disclosures and reports was extended from September 6, 2013, to September 27, 2013;
- The Court extended the deadline to complete fact discovery from non-party Motorola Mobility LLC from July 19, 2013, to September 11, 2013, and then from September 11, 2013, to October 11, 2013.

The parties have also jointly moved for an extension of the deadline for Dispositive and Daubert motions to November 5, 2013.

Freescale's proposed modification of the pretrial schedule is appropriate in view of the movement of previous scheduling deadlines, as summarized above, and the upcoming holidays. The modified schedule would shift the remaining dates a commensurate amount of time as the previous dates have been shifted and would provide the Court and the parties sufficient time to prepare for trial.

Event	Current Deadline	Proposed Deadline
Dispositive and <u>Daubert</u> motions due	October 29, 2013	November 5, 2013
Deadline to exchange proposed motions <u>in limine</u>	December 20, 2013	January 17, 2014
Deadline to exchange exhibits and exhibits lists	December 20, 2013	January 17, 2014
Deadline to meet and confer	January 3, 2014	January 31, 2014

regarding Joint PreTrial Conference Statement		
Joint Pretrial Conference Statement due	January 10, 2014	February 7, 2014
Motions <u>in limine</u> due	January 10, 2014	February 7, 2014
Oppositions to motions <u>in limine</u> due	January 15, 2014	February 12, 2014
Deadline for pretrial filings and submission of Joint Trial Readiness Binder and Motions <u>in Limine</u> Binder	January 24, 2014	February 21, 2014
Final pretrial conference	January 24, 2014	February 21, 2014
Deadline to submit three sets of trial exhibits	February 7, 2014	March 7, 2014
Commencement of jury trial	February 10, 2014	March 10, 2014

VI. THE STATUS OF SETTLEMENT DISCUSSIONS

A. MediaTek's Position

The parties discussed Alternative Dispute Resolution during the Rule 26(f) conference¹ and participated in private mediation on October 10, 2013. Despite these efforts, no agreement has been reached. The parties continue to discuss possible resolution of this case short of trial.

B. Freescale's Position

The parties participated in a mediation before The Honorable James Ware (Former Judge) on October 10, 2013. Freescale was represented by principals with full settlement authority. They were Changhae Park, Vice President of IP Licensing, Lee Chastain, Director of IP Licensing, and Pete Roossien, Chief Litigation Officer. The parties have also previously met on several occasions to discuss the resolution of this case and related litigations. At present, the parties have been unable to resolve this dispute.

Dated: October 15, 2013

Respectfully submitted,

¹ MediaTek filed its ADR Certification on February 13, 2012 (Dkt. No. 31) and filed the parties' Stipulation and [Proposed] Order Selecting ADR Process on February 21, 2012 (Dkt. No. 33). Freescale filed its ADR Certification on March 7, 2012 (Dkt. No. 35). Copies of the above documents were forwarded to the ADR Unit.

MEDIATEK INC.

By its attorneys,

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Dated: October 15, 2013

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1
2 I, Michael P. Wickey, do hereby attest that on October 15, 2013, I obtained the
3 concurrence of Alexander Hadjis, counsel for defendant Freescale Semiconductor, Inc., to file
4 this document on behalf of both parties.

5 Dated: October 15, 2013

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